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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/094,949	06/15/1998	DWIGHT A. MERRIMAN	1153	9057

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EXAMINER

HARLE, JENNIFER I

ART UNIT

PAPER NUMBER

2167

DATE MAILED: 02/20/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/094,949

Applicant(s)

MERRIMAN ET AL.

Examiner

Jennifer I. Harle

Art Unit

2167

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 31 January 2002.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 85-100 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 85-100 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

### **DETAILED ACTION**

Claims 85-100 are pending. Claims 63-84 were canceled by Preliminary Amendment. New claims 85-100 have been rejected.

### ***Continued Prosecution Application***

The request filed on January 31, 2002 for a Continued Prosecution Application (CPA) under 37 CFR 1.53(d) based on parent Application No. 09/094,949 is acceptable and a CPA has been established. An action on the CPA follows.

### ***Remarks***

Applicants submit that each claim is patentably distinguishable over Kohda, Angles, and Marsh because each independent claim recites receiving from an advertiser Web site feedback representing user transactions at the advertiser Web site, the user transactions resulting from user response to at least one of a plurality of direct advertisements, and selecting one of the plurality of direct advertisement for display based at least in part upon the advertiser feedback.

Applicant has added that the feedback be received from an advertiser Web site and that the feedback represent user transactions at the advertiser Web site result from user response to at least one of a plurality of direct advertisements. Applicant teaches that one form of feedback at the advertiser Web site can include an order or a click through. As discussed previously, Kohda, et al., Angles, et al. and Marsh teach that the feedback from advertising agent's advertisements can have links to other pages which

might for example, be more detailed advertisements or online order forms<sup>1</sup> for the advertised goods or services and that when the user follows these links the agent can track these actions (i.e. transactions: who, when, to what page. Examiner agrees that Kohda, et al., Angles, et al. and Marsh do not teach selecting one of the plurality of direct advertisements for display based at least in part upon the advertiser feedback.

### ***Drawings***

Applicant is required to submit a proposed drawing correction in reply to this Office action. However, formal correction of the noted defect can be deferred until the application is allowed by the examiner.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. Claims 85-88, 90-93, 95-98 and 100 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kohda, et al. in view of Cespedes & Smith, Database Marketing: New Rules for Policy and Practice, Sloan Management Review, Summer, 1993, pp. 7-22.

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<sup>1</sup> The tailored advertisements are a form of direct advertisement in that they aim for immediate buying action, hence the targeting.

As per claims 85 and 87, Kohda, et al., teaches a method for online advertising selection (pg. 1493 - Abstract), comprising:

(a) receiving from an advertiser Web site feedback representing user transactions at the advertiser Web site, the user transactions<sup>2</sup> resulting from user response to at least one of a plurality of direct advertisements; (pg. 1494-1495 – 2.3 Assessing advertising agents: “Advertisements returned from the advertising agent’s Web server can have links to other pages which might, for example, be more detailed advertisements or online order forms for the advertised goods or services and 2.1 Making contracts with advertising agents: “The advertisements are stored on the agent’s Web server. Otherwise they might be kept on the advertiser’s Web servers with just the links to them stored in the agent’s Web server.” Thus, receiving the feedback from the user by following the links, i.e. click-through, and the tracking of order forms received from the advertiser Web site is taught by Kohda, et al.);

(b) receiving a request to display a direct advertisement to a user (pg. 1495 – 2.2 Delivering advertisements to customers); and

(c) selecting, in response to the request, one of the plurality of direct advertisements for display, (pg. 1495 - 2.2 Delivering advertisements to customers – the advertising agent can tailor advertisements for individuals and their current interests).

Kohda, et al., does not teach that the selection of the advertisement be based at least in part upon the advertiser feedback. Utilizing advertiser feedback representing

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<sup>2</sup> User transactions are defined as any form of explicit feedback, which a user may convey by means of a commerce engine. This interaction does not have to be completed on the internet but may be completed via telephone, fax, mail, interactive television. These transactions encompass but are not limited to filling out forms/surveys, placing orders, supplying credit card numbers, executing a download, etc.

user transactions is not a new concept in selecting advertisements. Cespedes & Smith teach using database marketing using personal information such as credit card information (pg. 10 – col. 2 and pg. 12), direct-response media and e-mail between the buyer and seller (pg. 13 - col. 2), and order forms, purchases and surveys (pg. 17 - col. 1) to improve the three Ts, targeting, tailoring, and tying with consumers to permit them to receive the more relevant messages, i.e. direct advertisements, and products (pg.7). Cespedes & Smith further teach that database marketing can reduce ad clutter and other marketing related “noise” by targeting consumers most interested in the specific products and services only if the database remains current and up to date otherwise it becomes more of a liability than an asset (pg. 18 – Data Management). Moreover, Cespedes & Smith teach that the best response marketers can when categorizing, i.e. targeting and tailoring, is to use more data in their segmentation schemes as there is much evidence to indicate systematic difference as to how consumers respond in controlled/survey/samplings and how they behave in the marketplace (pg. 19). It would have been obvious to one of ordinary skill in the art at the time of the invention to have selected the advertisement at least in part based upon the advertiser feedback in the method of Kohda, et al. as taught Cespedes & Smith to enhance advertisement selection. Further, it would increase the efficiency and enhance customer satisfaction with the method.

The system claims 90 and 92 are rejected for the same reasons set forth in claims 85 and 87 above.

The medium claim 95, and 97 are rejected for the same reasons set forth in claims 85 and 87 above.

Method claim 100 is rejected for the same reasons set forth in claim 85.

As per claim 86, Kohda, et al. teaches as taught above. However, Kohda, et al. does not teach that the selection is based at least in part upon its historical statistical conversion rate. As set forth in previous actions and not responded to in the arguments in this CPA, Kohda, et al. does disclose recording the actions of users in relation to a particular advertisement (i.e., reading its details or buying the goods or services, historical statistics on these transactions) in order to prove the effectiveness of the advertising agent (pg. 1498, col. 2, Section 4). This type of statistical analysis of marketing programs is well known, i.e. sending out coupons and counting the number of redeemed coupons in a particular targeted area or tracking repeat customers of catalog shoppers. It would have been obvious for one of ordinary skill in the art at the time the invention was made to utilize a historical statistical conversion rate as at least a part of the basis for selection of one of the plurality of direct advertisements for the reasons set forth above. Additionally, these statistics would enable the advertising agent to prove effectiveness of the advertising to the advertiser and other potential clients to make the advertising agent more competitive and profitable and entice current clients to remain with them and encourage new clients to join the firm.

The system claim 91 is rejected for the same reasons set forth in claim 86 above.

The medium claim 95 is rejected for the same reasons set forth in claim 86 above.

As per claim 88, Kohda does not teach that the advertiser feedback is received via e-mail. As set forth in previous actions and not responded to in the arguments to in this CPA, however, email is a well-known method of feedback. It would have been obvious for one of ordinary skill in the art at the time the invention was made to select email as the feedback signal as e-mail is a fast and economical method of communication. These advantages are well known to those skilled in the art.

The system claim 93 is rejected for the same reasons set forth in claim 88 above.

The medium claim 98 is rejected for the same reasons set forth in claim 88 above.

2. Claims 89, 94 and 99 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kohda, et al. in view of Cesepdes & Smith as applied to claim 85, 90 and 95 above, and further in view of the Microsoft Press Computer Dictionary Third Edition, 1997, pg. 387.

As per claim 69, neither Kohda, et al. nor Cespedes & Smith specifically teach that the advertiser feedback is received via a proxy server. However, Kohda does teach the use of a proxy server as part of a filter, agent to user and agent to advertiser, with a ubiquitous advertising on the web and merging advertisements on browsers. Pg. 1498, Section 3.3. A proxy server acts as a firewall component that manages internet traffic to and from a LAN ...and can improve performance by supplying frequently requested data ... and can filter and discard requests the owner does not consider appropriate, such as requests for unauthorized access to proprietary files. Microsoft Dictionary, pg. 387. Thus, it would have been obvious to one of ordinary skill in the art at the time of the



invention to utilize the proxy server to manage the internet traffic, i.e. feedback, as taught by the Microsoft Dictionary, in the method of online advertisement selection as taught by Kohda, et al. because proxy servers clearly protect the integrity of the advertising agent and advertisers networks. Steps to enhance the security and integrity of a client's or a business's systems represent an obvious modification to the prior process taught by Kohda, et al.

The system claim 94 is rejected for the same reasons set forth in claim 99.

The medium claim 89 is rejected for the same reasons set forth in claim 99.

3. Claims 85-88, 90-93, 95-98 and 100 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kohda, et al. in view Bill Harvey, The Expanded ARF Model: Bridge to the Accountable Advertising Future, Journal of Advertising Research, March/April 1997, pp. 11-20.

As per claims 85 and 87, Kohda, et al., teaches a method for online advertising selection (pg. 1493 - Abstract), comprising:

(a) receiving from an advertiser Web site feedback representing user transactions at the advertiser Web site, the user transactions<sup>3</sup> resulting from user response to at least one of a plurality of direct advertisements; (pg. 1494-1495 – 2.3 Assessing advertising agents: "Advertisements returned from the advertising agent's Web server can have links to other pages which might, for example, be more detailed advertisements or online order forms for the advertised goods or services and 2.1

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<sup>3</sup> User transactions are defined as any form of explicit feedback, which a user may convey by means of a commerce engine. This interaction does not have to be completed on the internet but may be completed via telephone, fax, mail, interactive television. These transactions encompass but are not limited to filling out forms/surveys, placing orders, supplying credit card numbers, executing a download, etc.

Making contracts with advertising agents: "The advertisements are stored on the agent's Web server. Otherwise they might be kept on the advertiser's Web servers with just the links to them stored in the agent's Web server." Thus, receiving the feedback from the user by following the links, i.e. click-through, and the tracking of order forms received from the advertiser Web site is taught by Kohda, et al.);

(b) receiving a request to display a direct advertisement to a user (pg. 1495 – 2.2 Delivering advertisements to customers); and

(c) selecting, in response to the request, one of the plurality of direct advertisements for display, (pg. 1495 - 2.2 Delivering advertisements to customers – the advertising agent can tailor advertisements for individuals and their current interests).

Kohda, et al., does not teach that the selection of the advertisement be based at least in part upon the advertiser feedback. Utilizing advertiser feedback representing user transactions is not a new concept in selecting advertisements. Harvey teaches that the Internet offers important opportunities for learning how to use interactivity within the advertising process to add to advertising effectiveness, i.e. use these tools to get the sales you want (pg. 11). Harvey teaches that advertisers want to pay for the number of people that are reached by the actual ad not the banner, i.e. at the minimum the click-through (pg. 12).<sup>4</sup> Harvey further teaches that additional user transactions can be used in pricing such as advertising leads – measuring those who have sought more information, e.g. requested a brochure via an 800 number, activated information requested hotlinks within an advertiser's website..., using reaction to the banner. He

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<sup>4</sup> In fact, Proctor & Gamble set industry practice by pioneering this deal with Yahoo in 1996 (pg. 13).

also includes from the traditional ARF model sales/orders (pg. 15). It would have been obvious to one of ordinary skill in the art at the time of the invention to have selected the advertisement at least in part based upon the advertiser feedback based upon user transactions at the advertiser web site in the method of Kohda, et al. as taught in Harvey to enhance advertisement selection because the advertisers want it, it enhances accountability. Further, it would increase the efficiency and enhance customer satisfaction with the method.

The system claims 90 and 92 are rejected for the same reasons set forth in claims 85 and 87 above.

The medium claim 95, and 97 are rejected for the same reasons set forth in claims 85 and 87 above.

Method claim 100 is rejected for the same reasons set forth in claim 85.

As per claim 86, Kohda, et al. teaches as taught above. However, Kohda, et al. does not teach that the selection is based at least in part upon its historical statistical conversion rate. As set forth in previous actions and not responded to in the arguments in this CPA, Kohda, et al. does disclose recording the actions of users in relation to a particular advertisement (i.e., reading its details or buying the goods or services, historical statistics on these transactions) in order to prove the effectiveness of the advertising agent (pg. 1498, col. 2, Section 4). Moreover, Harvey extends this teachings to apply to a model of ad response to the internet in an extended stage, Loyal Customers, essentially a count of leads converted to purchasers who are favorably predisposed to the offering and who have continued purchasing the product or service

over time. Thus, this type of statistical analysis of marketing programs was well known, i.e. sending out coupons and counting the number of redeemed coupons in a particular targeted area or tracking catalog customers who are repeat purchasers for mailing lists. It would have been obvious for one of ordinary skill in the art at the time the invention was made to utilize a historical statistical conversion rate as at least a part of the basis for selection of one of the plurality of direct advertisements for the reasons set forth above. Additionally, these statistics would enable the advertising agent to prove effectiveness of the advertising to the advertiser and other potential clients to make the advertising agent more competitive and profitable and entice current clients to remain with them and encourage new clients to join the firm.

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As per claim 69, neither Kohda, et al. nor Bill Harvey specifically teach that the advertiser feedback is received via a proxy server. However, Kohda does teach the use of a proxy server as part of a filter, agent to user and agent to advertiser, with a ubiquitous advertising on the web and merging advertisements on browsers. Pg. 1498, Section 3.3. A proxy server acts as a firewall component that manages internet traffic to and from a LAN ...and can improve performance by supplying frequently requested data ... and can filter and discard requests the owner does not consider appropriate, such as requests for unauthorized access to proprietary files. Microsoft Dictionary, pg. 387. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention to utilize the proxy server to manage the internet traffic, i.e. feedback, as taught by the Microsoft Dictionary, in the method of online advertisement selection as taught by Kohda, et al. because proxy servers clearly protect the integrity of the advertising agent and advertisers networks. Steps to enhance the security and integrity of a client's or a business's systems represent an obvious modification to the prior process taught by Kohda, et al.

The system claim 94 is rejected for the same reasons set forth in claim 99.

The medium claim 89 is rejected for the same reasons set forth in claim 99.


**Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jennifer I. Harle whose telephone number is 703.306.2906. The examiner can normally be reached on Monday through Thursday, 6:00 a.m. to 5:00 p.m..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert P. Olszewski can be reached on 703.305.9643. The fax phone numbers for the organization where this application or proceeding is assigned are 703.308.5357 for regular communications and 703.308.5357 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703.305.3900.

jih  
February 11, 2002

  
Richard Chilcot  
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2167